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REVENUE ADMINISTRATIVE BULLETIN 2008-5

Approved: November 19, 2008
INTEREST RATE

For period: January 1, 2009 – June 30, 2009

(Replaces Revenue Administrative Bulletin 2008-2)

RAB 2008-5. This Revenue Administrative Bulletin (RAB) establishes the annual rate of interest due on underpayments and overpayments for the period beginning on January 1, 2009, and ending on June 30, 2009.

A daily rate of interest .0001644 based on an adjusted annual rate of 6 % will be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 6 % was established pursuant to section 23(2) of the Revenue Act, MCL 205.23(2), at one percentage point above the “adjusted prime rate” charged by three commercial banks to large businesses.

The rates of interest as announced in this RAB also apply to overpayments as added under MCL 205.30(1) for periods after March 31, 1993. The rate of interest for periods prior to April 1, 1993, remains at the annual rate of 9%.

The following annual and corresponding daily rates of interest are in effect and will accrue during these periods:

Period		Rate	
January 1, 2009	- June 30, 2009	6.0%	(.0001644)
July 1, 2008	- December 31, 2008	7.9%	(.0002151)
January 1, 2008	- June 30, 2008	9.2%	(.0002514)
July 1, 2007	- December 31, 2007	9.25%	(.0002534)
January 1, 2007	- June 30, 2007	9.1%	(.0002493)
July 1, 2006	- December 31, 2006	8.2%	(.0002245)
January 1, 2006	- June 30, 2006	7.2%	(.0001973)
July 1, 2005	- December 31, 2005	6.2%	(.0001699)
January 1, 2005	- June 30, 2005	5.2%	(.0001428)
July 1, 2004	- December 31, 2004	5.0%	(.0001366)
January 1, 2004	- June 30, 2004	5.0%	(.0001366)
July 1, 2003	- December 31, 2003	5.4%	(.0001479)
January 1, 2003	- June 30, 2003	5.8%	(.0001589)
July 1, 2002	- December 31, 2002	6.0%	(.0001644)
January 1, 2002	- June 30, 2002	8.0%	(.0002192)
July 1, 2001	- December 31, 2001	10.1%	(.0002767)
January 1, 2001	- June 30, 2001	10.4%	(.0002849)
July 1, 2000	- December 31, 2000	9.5%	(.0002596)
January 1, 2000	- June 30, 2000	8.9%	(.0002432)
July 1, 1999	- December 31, 1999	8.8%	(.0002411)

Example: Taxpayer A, who files on a calendar year basis, filed a MI-1040 return for 2005 showing tax due of \$1,500.00. If the tax is not paid until May 1, 2009, the amount of interest calculated due from April 17, 2006 through April 30, 2009, is as follows:

Period		Calculation					Interest
April 17, 2006	- June 30, 2006	74 days	x	.0001973	x	\$1,500	21.90
July 1, 2006	- December 30, 2006	184 days	x	.0002245	x	\$1,500	61.96
January 1, 2007	- June 30, 2007	181 days	x	.0002493	x	\$1,500	67.68
July 1, 2007	- December 31, 2007	184 days	x	.0002534	x	\$1,500	69.94
January 1, 2008	- June 30, 2008	182 days	x	.0002514	x	\$1,500	68.63
July 1, 2008	- December 31, 2008	184 days	x	.0002151	x	\$1,500	59.37
January 1, 2009	- April 30, 2009	120 days	x	.0001644	x	\$1,500	29.59
						Total Interest:	379.07
						Tax Due:	<u>1,500.00</u>
						Total Due:	<u>1,879.07</u>